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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4151
INFO RUEHAC/AMEMBASSY ASUNCION 3679
RUEHBO/AMEMBASSY BOGOTA 2214
RUEHBU/AMEMBASSY BUENOS AIRES 1192
RUEHBR/AMEMBASSY BRASILIA 0586
RUEHCV/AMEMBASSY CARACAS 1883
RUEHPE/AMEMBASSY LIMA 5859
RUEHMN/AMEMBASSY MONTEVIDEO 4154
RUEHQT/AMEMBASSY QUITO 2034
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
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TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - DECEMBER 18

Lead Stories

1. Dailies highlighted the drop in the price of oil, which is likely to generate a significant drop in electricity bills and other utilities. Dailies also highlighted a photograph taken of President Bachelet during an early morning swim in Brazil, where she was attending a regional conference; this reigniting the debate over the right to privacy.

U.S.-Related News

2. A delegation of three U.S. Congressmen who visited Chile talked about the crisis in the automobile industry in the United States. Democratic New York Representative Gregory Meeks said that the temporary US\$14 billion that President Bush authorized for the automobile industry will suffice until Congress approves the bailout plan. "It will be enough to give assurance that the industry will not disappear and that we will make sure it succeeds," said Meeks. The three Congressmen concurred that the American people want a prompt solution to the situation of this particular industry. "People believe that if the bankruptcy of the automobile industry were to occur... it would have wider implications for the economy as a whole, which would be very destructive," said Wisconsin Republican Congressman Paul Ryan. As to Congressional approval of the Treasury Department's bailout plan, Ryan said, "We felt we needed to prevent the collapse of the entire financial system. But now we are moving toward specific industry sectors and companies, which for some of us is a concern, because the system was designed for the financial system from a wider perspective."

3. Congressman Meeks emphasized that this is not about bailing out all companies at risk, but he underscored that it is important to rescue automobile manufacturers because approximately 5 million jobs depend on it. The three Congressmen met with Minister of Interior Edmundo Perez-Yoma and with other government officials and business representatives. "We are here because of the great relationship that Chile and the United States have and to the success of the Free Trade Agreement.... We believe that the relationship between both of our countries can serve as an example for all of Latin America," said Meeks (Diario Financiero, business and financial, circ. 30,000, 12/18).

4. Figures published on Tuesday by the (Foreign Ministry) Economic Relations Bureau show that trade between both countries has increased 155% since the treaty came into effect. The United States is Chile's principal commercial partner, with a 15.2% share of

Chile's commercial exchange (Diario Financiero, 12/18).

Local

15. Standard & Poor's retained Chile's foreign debt ratings at AA+ due to its low fiscal debt and economic flexibility. This is the highest ratings in Latin America (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 12/18).

16. National Prosecutor Sabas Chahuan inaugurated the First Latin American Summit of Public Ministries against the Trafficking of Persons (La Nacion, government-owned, editorially independent, circ. 4,200, 12/18).

17. An Ipsos December poll shows that approval for Bachelet is now 56.8%. This is 10 points higher than the August poll. The rate of approval for the government, on the other hand, is only 38.8%, and the rate of disapproval is 57.6%; 44% believe the country "is moving in the right direction," and 48.1% believe it is not. The daily indicates the approval for Bachelet is grounded on the perception that the President is "natural," "unassuming" (not ostentatious), can relate to people, and has the capability to face an array of situations (La Nacion, 12/18).

Cuba

18. OAS Secretary General Jose Miguel Insulza met yesterday with Cuban President Raul Castro in Brazil to discuss Havana's accession to the Rio Group and possible incorporation into the OAS. Castro, however, was clear in that Cuba would never join the OAS, adding that the entity "must disappear" (El Mercurio, 12/18).

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